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STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS, AND MINING  
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March 11, 1981

Mr. James M. Rosel  
Assistant Vice President  
Ranchers Exploration &  
Development Corporation  
Box 6217  
1776 Montano Road, N.W.  
Albuquerque, New Mexico 87197

RE: Final Approval  
Escalante Silver Mine  
Iron County, Utah  
ACT/021/004

Dear Mr. Rosel:

Having satisfactorily met all requirements of the Utah Mined Land Reclamation Act, the Division of Oil, Gas and Mining hereby grants final approval to Rancher's Exploration and Development Corporation's Escalante Silver Mine in Iron County, Utah. Mining may now lawfully commence according to the approved mining and reclamation plan.

Please be reminded of Section 40-8-15 and Rule M-8 of the Utah Mined Land Reclamation Act regarding the commencement of operations and the annual operations and progress report requirements.

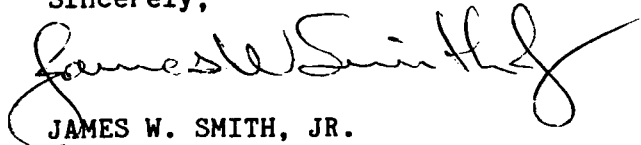
Should the need arise to implement any modifications to the approved mining and reclamation plan, please notify the Division of such changes for review and approval prior to initiation.

Mr. James M. Rosel  
March 11, 1981  
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Copies of all correspondence with the Division of Water Rights concerning the conditions outlined in their January 14, 1981 letter relative to the tailings dam would be appreciated.

If you have any questions or require any assistance in the future, please let us know.

Sincerely,

A handwritten signature in cursive script, appearing to read "James W. Smith, Jr.", written in dark ink.

JAMES W. SMITH, JR.  
COORDINATOR OF MINED LAND DEVELOPMENT

JWS/te

cc: Mark Welch,  
Ranchers Exploration & Development